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c 57 The Pyramidic Sales Act, 1972

Ontario

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CHAPTER 57

An Act to control Pyramid Methods for the distribution and sale of Commodities

*Assented to May 26th, 1972
Session Prorogued December 15th, 1972*

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. In this Act,

Interpre-
tation

- (a) "business premises" does not include a dwelling;
- (b) "commodity" means any goods, services or rights, or other property whether tangible or intangible, capable of being the subject of sale or lease;
- (c) "Director" means the Executive Director of the Commercial Registration Division of the Ministry;
- (d) "dwelling" means any premises or any part thereof occupied as living accommodation;
- (e) "investor" means a person who gives consideration for the right to participate in a pyramid scheme;
- (f) "Minister" means the Minister of Consumer and Commercial Relations;
- (g) "Ministry" means the Ministry of Consumer and Commercial Relations;
- (h) "prescribed" means prescribed by this Act or the regulations;
- (i) "promoter" means a person who, not being an investor, receives or is entitled to receive any part of the benefits referred to in clause *j*;
- (j) "pyramid scheme" means a scheme for the distribution of a commodity whereby a person may, for valuable consideration, in any manner acquire a

commodity or a right or licence to acquire such commodity for sale, lease or otherwise,

(i) where such person receives a gratuity or consideration, directly or indirectly, as a result of the recruitment, acquisitions, actions or performances of one or more additional participants, or

(ii) where such person is or may be paid, directly or indirectly, commissions, cross-commissions, bonuses, refunds, discounts, dividends, gratuities or other considerations as a result of a sale, lease or other distribution of such commodity by any additional participant,

and under circumstances where any part of the benefits referred to in subclause i or ii accrue to any other person participating in the scheme;

(k) "Registrar" means the Registrar of Pyramid Schemes;

(l) "regulations" means the regulations made under this Act;

(m) "Tribunal" means The Commercial Registration Appcal Tribunal established under *The Ministry of Consumer and Commercial Relations Act*.

R.S.O. 1970,
c. 113

Registrar

2. -(1) There shall be a Registrar of Pyramid Schemes who shall be appointed by the Lieutenant Governor in Council.

Duties of
Registrar

(2) The Registrar may exercise the powers and shall perform the duties conferred or imposed upon him by or under this Act under the supervision of the Director.

Prospectus
required

3. No person shall organize, operate or engage in a pyramid scheme or hold out he is organizing, operating or participating in a pyramid scheme unless a prospectus for the scheme is filed with the Registrar and a certificate of acceptance is issued therefor by the Registrar.

Representa-
tion of
govern-
mental
approval

4. No person shall make any representation, written or oral, that the Director or the Registrar has passed upon the financial standing, fitness or conduct of any person in connection with any such prospectus or upon the merits of any such prospectus.

Contents of
prospectus

5. Each prospectus submitted to the Registrar shall contain,

- (a) the name and address of each person, partnership, syndicate or corporation who is a promoter and, in the case of a partnership or syndicate, the name and address of each partner and, in the case of a corporation, the name and relationship of each affiliate or subsidiary corporation determined in the manner provided by *The Securities Act*;
- (b) an address in Ontario for service of each promoter;
- (c) the particulars as to the nature of the commodity, its source of supply, the warranties to be granted to consumers, and the facilities for implementing the warranties;
- (d) the numbers and levels of investors including the number of investors in each level, the investments required to attain such levels, the control of locations and areas assigned to investors, the inventory that is to be supplied to investors for any particular investment, the terms upon which further inventory is to be made available and, where the promoter is dealing in a variety of commodities, information on the distribution of the various commodities to investors;
- (e) the provisions available and to be instituted for the training of investors and salesmen;
- (f) the manner in which the funds invested are to be disposed, including all payments of whatever kind made to participants in the scheme;
- (g) all additional charges or fees to be imposed upon an investor after investment, including further purchase obligations;
- (h) the contracts, manuals and promotional or other materials to be used; and
- (i) such other information as the Registrar may require for the proper evaluation of the scheme or as is required by the regulations.

R.S.O. 1970,
c. 426

6.—(1) The Registrar shall issue a certificate of acceptance Certificate of acceptance except where,

- (a) having regard to the promoter's financial position, he cannot reasonably be expected to be financially responsible in the conduct of his business;

- (b) the past conduct of the promoter or, where it is a corporation, of its officers or directors affords reasonable grounds for belief that his business will not be carried on in accordance with law and with integrity and honesty;
- (c) the promoter is or will be carrying on activities that are in contravention of this Act or the regulations;
- (d) the prospectus contains any misleading facts or omissions;
- (e) there is no immediate availability of the commodity for marketing;
- (f) there is inadequate provision for the marketing of the commodity, protection of investors and purchasers and training of investors and salesmen;
- (g) the promoter is dealing in a variety of commodities not all of which are available to the investor upon reasonable terms;
- (h) there is not available to investors a ready access to further products when needed;
- (i) the scheme does not provide for the delivery of the commodity to the investor to a retail value of at least the amount of the investment;
- (j) more than 10 per cent of the investment is devoted to finders' fees or other benefits to other participants in the scheme;
- (k) in the opinion of the Registrar, the scheme is unfair or not feasible; or
- (l) the agreement between the investor and the promoter is not a true reflection of the scheme itself.

Terms and
conditions

- (2) A certificate may be issued subject to such terms and conditions as the Registrar may specify in the certificate.

Amendments
to prospectus

7. A promoter shall not depart from the pyramid scheme set out in the prospectus and may amend the prospectus by filing with the Registrar a supplementary prospectus setting out the change and receiving a supplementary certificate of acceptance issued by the Registrar.

8. Subject to section 9, the Registrar may suspend or withdraw the certificate for any reason that would disentitle the promoter to a certificate under section 6 if he were an applicant. ^{Suspension or withdrawal}

9.—(1) Where the Registrar proposes to refuse to grant a certificate of acceptance or proposes to suspend or withdraw a certificate, he shall serve notice of his proposal, together with written reasons therefor, on the promoter. ^{Refusal to issue certificate}

(2) A notice under subsection 1 shall inform the promoter that he is entitled to a hearing by the Tribunal if he mails or delivers, within fifteen days after the notice under subsection 1 is served on him, notice in writing requiring a hearing to the Registrar and the Tribunal and he may so require such a hearing. ^{Notice requiring hearing}

(3) Where a promoter does not require a hearing by the Tribunal in accordance with subsection 2, the Registrar may carry out the proposal stated in his notice under subsection 1. ^{Powers of Registrar where no hearing}

(4) Where a promoter requires a hearing by the Tribunal in accordance with subsection 2, the Tribunal shall appoint a time and place for and hold the hearing and, on the application of the Registrar at the hearing, may by order direct the Registrar to carry out his proposal or refrain from carrying out his proposal and to take such action as the Tribunal considers the Registrar ought to take in accordance with this Act and the regulations, and for such purposes the Tribunal may substitute its opinion for that of the Registrar. ^{Powers of Tribunal where hearing}

(5) The Tribunal may attach such terms and conditions to its order or to the certificate of acceptance as it considers proper to give effect to the purposes of this Act and the regulations. ^{Conditions of order}

(6) The Registrar, the promoter and such other persons as the Tribunal may specify are parties to proceedings before the Tribunal under this section. ^{Parties}

(7) Notwithstanding subsection 1, the Registrar may cancel a certificate of acceptance upon the request in writing of the promoter in the prescribed form surrendering his certificate. ^{Voluntary cancellation}

(8) Notwithstanding that a promoter appeals from an order of the Tribunal under section 9b of *The Ministry of Consumer and Commercial Relations Act*, the order takes effect immediately, but the Tribunal may grant a stay until disposition of the appeal. ^{Order effective, stay}
R.S.O. 1970, c. 113

Application
of ss. 11, 12

10. Sections 11 and 12 apply notwithstanding any agreement or waiver to the contrary.

Investor's
agreement

11.—(1) Every agreement by which a person becomes an investor in a pyramid scheme,

- (a) shall be in writing;
- (b) shall contain in conspicuous print on its face the text of section 12;
- (c) shall include the sale or lease of a commodity appropriate for resale or subletting;
- (d) shall state the retail price of the commodity upon which the scheme is based;
- (e) shall contain an address in Ontario for service of the person with whom the investor enters into the agreement; and
- (f) shall be in such form and provide for such other matters as are prescribed by the regulations.

Agreement
voidable
where non-
compliance

(2) Any agreement that does not comply with subsection 1 is voidable at any time at the option of the investor.

Copy of
prospectus

(3) No promoter or investor shall enter into an agreement with a person by which such person would become an investor unless the promoter or investor has delivered a copy of the prospectus accepted under section 3 to the prospective investor at least two days before the agreement is entered into.

When
agreement
voidable

(4) An agreement entered into before the time required by subsection 3 is voidable at the option of the prospective investor at any time before the time when the agreement could be entered into in accordance with subsection 3.

Refund

(5) Where an agreement is voided under this section, the promoter shall pay to the investor his total investment.

Rescission
of investor's
agreement

12. —(1) Any person who enters into an agreement to become an investor may rescind the agreement by delivering a notice of rescission in writing to the person with whom he entered into the agreement and, where such person is not the promoter, to the promoter, within six months of the date of the agreement.

Notice of
rescission

(2) A notice of rescission may be delivered personally or sent by registered mail addressed to the person to

whom delivery is to be made at the address shown in the agreement or in the prospectus and, notwithstanding section 22, delivery by registered mail shall be deemed to have been made at the time of mailing.

(3) Where a person who has entered into an agreement to become an investor rescinds the agreement under subsection 1, he may return all or any portion of the commodity received under the scheme and in merchantable condition to the promoter who shall pay the investor 75 per cent of his total investment less the proportion of that amount that any unreturned quantity of the commodity bears to the total quantity received by the investor. ^{Return of commodity and refund}

(4) A promoter shall enter into such escrow agreement as the Registrar considers necessary or advisable to ensure that an amount equal to 75 per cent of the retail value of a commodity delivered to an investor under an agreement referred to in section 11 is available for repayment until the period during which a rescission may be made under subsection 1 expires. ^{Escrow pending rescission}

13.—(1) Every promoter shall maintain at such places in Ontario as have been approved in writing by the Registrar registers setting out the names and addresses of all investors in the pyramid scheme, and describing the territories that have been allotted to each. ^{Public inspection of information}

(2) A register shall be kept available for inspection by any person during reasonable business hours. ^{Idem}

(3) No person shall refuse to permit a person to inspect a register under subsection 2, or to make extracts therefrom. ^{Idem}

14. Every promoter shall file with the Registrar annually on the anniversary date of his certificate of acceptance, ^{Annual return}

(a) an audited financial statement;

(b) an affidavit stating that no changes exist in the pyramid scheme; and

(c) a copy of the register of investors.

15. Where the Registrar believes on reasonable and probable grounds that a promoter is making false, misleading or deceptive statements in any advertisement, circular, pamphlet or similar material, the Registrar may order the immediate cessation of the use of such material and section 9 applies *mutatis mutandis* to the order in the same manner as ^{False advertising}

to a proposal by the Registrar to refuse a certificate of acceptance and the order of the Registrar shall take effect immediately, but the Tribunal may grant a stay until the Registrar's order becomes final.

Inspection

16.—(1) The Registrar or any person designated by him in writing may at any reasonable time enter upon the business premises of the promoter to make an inspection to ensure that the provisions of this Act and the regulations are being complied with.

Idem

(2) Where the Registrar has reasonable and probable grounds to believe that any person is acting as a promoter without a prospectus and certificate of acceptance, the Registrar or any person designated by him in writing may at any reasonable time enter upon such person's business premises to make an inspection for the purpose of determining whether or not the person is in contravention of section 3.

Powers on inspection

(3) Upon an inspection under this section, the person inspecting,

(a) is entitled to free access to all books of account, cash, documents, bank accounts, vouchers, correspondence and records of the person being inspected that are relevant for the purposes of the inspection; and

(b) may, upon giving a receipt therefor, remove any material referred to in clause *a* that relates to the purpose of the inspection for the purpose of making a copy thereof, provided that such copying is carried out with reasonable dispatch and the material in question is promptly thereafter returned to the person being inspected,

and no person shall obstruct the person inspecting or withhold or destroy, conceal or refuse to furnish any information or thing required by the person inspecting for the purposes of the inspection.

Admissibility of copies

(4) Any copy made as provided in subsection 3 and purporting to be certified by an inspector is admissible in evidence in any action, proceeding or prosecution as *prima facie* proof of the original.

Investigations by order of Minister

17. The Minister may by order appoint a person to make an investigation into any matter to which this Act applies as may be specified in the Minister's order and the person

appointed shall report the result of his investigation to the Minister and, for the purposes of the investigation, the person making it has the powers of a commission under Part II of *The Public Inquiries Act, 1971*, which Part applies to such investigation as if it were an inquiry under that Act. ^{1971, c. 49}

18.—(1) Where, upon a statement made under oath, the Director believes on reasonable and probable grounds that any person has, ^{Investigation by Director}

- (a) contravened any of the provisions of this Act or the regulations; or
- (b) committed an offence, under the *Criminal Code* ^{R.S.C. 1970, c. C-34} (Canada) or under the law of any jurisdiction, that is relevant to his fitness to receive a certificate of acceptance under this Act,

the Director may by order appoint one or more persons to make an investigation to ascertain whether such a contravention of the Act or regulations or the commission of such an offence has occurred and the person appointed shall report the result of his investigation to the Director.

(2) For purposes relevant to the subject-matter of an investigation under this section, the person appointed to make the investigation may inquire into and examine the affairs of the person in respect of whom the investigation is being made and may, ^{Powers of investigator}

- (a) upon production of his appointment, enter at any reasonable time the business premises of such person and examine books, papers, documents and things relevant to the subject-matter of the investigation;
- (b) inquire into negotiations, transactions, loans, borrowings made by or on behalf of or in relation to such person and into property, assets or things owned, acquired or alienated in whole or in part by him or any person acting on his behalf that are relevant to the subject-matter of the investigation,

and for the purposes of the inquiry, the person making the investigation has the powers of a commission under Part II of *The Public Inquiries Act, 1971*, which Part applies to such inquiry as if it were an inquiry under that Act. ^{1971, c. 49}

(3) No person shall obstruct a person appointed to make an investigation under this section or withhold from him or conceal or destroy any books, papers, documents or things relevant to the subject-matter of the investigation. ^{Obstruction of investigator}

Search
warrant

(4) Where a provincial judge is satisfied, upon an *ex parte* application by the person making an investigation under this section, that the investigation has been ordered and that such person has been appointed to make it and that there is reasonable ground for believing there are, in any building, dwelling, receptacle or place any books, papers, documents or things relating to the person whose affairs are being investigated and to the subject-matter of the investigation, the provincial judge may, whether or not an inspection has been made or attempted under clause *a* of subsection 2, issue an order authorizing the person making the investigation, together with such police officer or officers as he calls upon to assist him, to enter and search, if necessary by force, such building, dwelling, receptacle or place for such books, papers, documents or things and to examine them, but every such entry and search shall be made between sunrise and sunset unless the provincial judge, by the order, authorizes the person making the investigation to make the search at night.

Removal of
books, etc.

(5) Any person making an investigation under this section may, upon giving a receipt therefor, remove any books, papers, documents or things examined under clause *a* of subsection 2 or subsection 4 relating to the person whose affairs are being investigated and to the subject-matter of the investigation for the purpose of making copies of such books, papers or documents, but such copying shall be carried out with reasonable dispatch and the books, papers or documents in question shall be promptly thereafter returned to the person whose affairs are being investigated.

Admissi-
bility of
copies

(6) Any copy made as provided in subsection 5 and certified to be a true copy by the person making the investigation is admissible in evidence in any action, proceeding or prosecution as *prima facie* proof of the original book, paper or document and its contents.

Appointment
of experts

(7) The Minister or Director may appoint any expert to examine books, papers, documents or things examined under clause *a* of subsection 2 or under subsection 4.

Matters
confidential

19.—(1) Every person employed in the administration of this Act, including any person making an inquiry, inspection or an investigation under section 16, 17 or 18, shall preserve secrecy in respect of all matters that come to his knowledge in the course of his duties, employment, inquiry, inspection or investigation and shall not communicate any such matters to any other person except,

- (a) as may be required in connection with the administration of this Act and the regulations or any proceedings under this Act or the regulations; or
- (b) to his counsel; or
- (c) with the consent of the person to whom the information relates.

(2) No person to whom subsection 1 applies shall be required to give testimony in any civil suit or proceeding with regard to information obtained by him in the course of his duties, employment, inquiry, inspection or investigation except in a proceeding under this Act or the regulations. Testimony in civil suit

20. Where, upon the report of an investigation made under subsection 1 of section 18, it appears to the Director that a person may have, Report

- (a) contravened any of the provisions of this Act or the regulations; or
- (b) committed an offence, under the *Criminal Code* (Canada) or under the law of any jurisdiction, that is relevant to his fitness to receive a certificate of acceptance under this Act, R.S.C. 1970,
c. C-34

the Director shall send a full and complete report of the investigation, including the report made to him, any transcript of evidence and any material in the possession of the Director relating thereto, to the Minister.

21.—(1) Where,

- (a) an investigation of any person has been ordered under section 18; or
- (b) criminal proceedings or proceedings in relation to a contravention of any Act or regulation are about to be or have been instituted against a person that are connected with or arise out of the business in respect of which a prospectus is required under this Act,

Order to
refrain from
dealing with
assets

the Director, if he believes it advisable for the protection of investors or customers of the person referred to in clause *a* or *b*, may, in writing or by telegram, direct any person having on deposit or under control or for safekeeping any assets or trust funds or direct the person referred to in clause *a* or *b* to hold such assets or trust funds or direct the person referred to in clause *a* or *b* to refrain from withdrawing any such assets

or trust funds from any person having any of them on deposit or under control or for safekeeping or to hold such assets or any trust funds of investors, customers or others in his possession or control in trust for any interim receiver or liquidator appointed under the *Bankruptcy Act* (Canada), *The Judicature Act*, *The Corporations Act*, *The Business Corporations Act*, or the *Winding-up Act* (Canada), or until the Director revokes or the Tribunal cancels such direction or consents to the release of any particular assets or trust funds from the direction but, in the case of a bank, loan or trust company, the direction only applies to the office, branches or agencies thereof named in the direction.

R.S.C. 1970,
cc. B-4, W-11

R.S.O. 1970,
cc. 228, 89, 53

Bond in
lieu

(2) Subsection 1 does not apply where the person referred to in clause *a* or *b* of subsection 1 files with the Director,

(a) a personal bond accompanied by collateral security;

R.S.O. 1970,
c. 196

(b) a bond of a guarantee company approved under *The Guarantee Companies Securities Act*; or

(c) a bond of a guarantor, other than a guarantee company, accompanied by collateral security,

in such form, terms and amount as the Director may determine.

Application
for direction

(3) Any person in receipt of a direction given under subsection 1, if in doubt as to the application of the direction to any assets or trust funds, or in case of a claim being made thereto by a person not named in the direction, may apply to a judge or local judge of the Supreme Court who may direct the disposition of such assets or trust funds and may make such order as to costs as seems just.

Notice to
registrars of
deeds, etc.

(4) In any of the circumstances mentioned in clause *a* or *b* of subsection 1, the Director may in writing or by telegram notify any registrar of deeds or master of titles that proceedings are being or are about to be taken that may affect land belonging to the person referred to in the notice, and the notice shall be registered against the lands mentioned therein and has the same effect as the registration of a certificate of *lis pendens* except that the Director may in writing revoke or modify the notice.

Cancellation
of direction
or registra-
tion

(5) Any person referred to in clause *a* or *b* of subsection 1 in respect of whom a direction has been given by the Director under subsection 1 or any person having an interest in land in respect of which a notice has been registered under subsection 4 may, at any time, apply to the Tribunal for cancellation in whole or in part of the direction or

registration and the Tribunal shall dispose of the application after a hearing and may, if it finds that such a direction or registration is not required in whole or in part for the protection of investors or customers of the applicant or of other persons interested in the land or that the interests of other persons are unduly prejudiced thereby, cancel the direction or registration in whole or in part, and the applicant, the Director and such other persons as the Tribunal may specify are parties to the proceedings before the Tribunal.

22.—(1) Any notice or order required to be given or served under this Act or the regulations is sufficiently given or served if delivered personally or sent by registered mail addressed to the person to whom delivery or service is required to be made at the latest address for service set out in the prospectus or supplementary prospectus. ^{Service}

(2) Where service is made by registered mail, the service shall be deemed to be made on the third day after the day of mailing unless the person on whom service is being made establishes that he did not, acting in good faith, through absence, accident, illness or other cause beyond his control receive the notice or order until a later date. ^{When service deemed to be made}

(3) Notwithstanding subsections 1 and 2, the Tribunal may order any other method of service in respect of any matter before the Tribunal. ^{Idem}

23.—(1) Where it appears to the Director that any person does not comply with any provision of this Act, the regulations or an order made under this Act, notwithstanding the imposition of any penalty in respect of such non-compliance and in addition to any other rights he may have, the Director may apply to a judge of the High Court for an order directing such person to comply with such provision, and upon the application, the judge may make such order or such other order as the judge thinks fit. ^{Restraining orders}

(2) An appeal lies to the Court of Appeal from an order made under subsection 1. ^{Appeal}

24.—(1) Every person who, ^{Offences}

- (a) makes a statement in any application, report, prospectus, return, financial statement or other document, required to be filed or furnished under this Act or the regulations that, at the time and in the light of the circumstances under which it is made, is false or misleading with respect to any material fact or that omits to state any material fact, the omission of which makes the statement false or misleading;

(b) fails to comply with any order, direction or other requirement under this Act; or

(c) contravenes any provision of this Act or the regulations,

and every director or officer of a corporation who knowingly concurs in such act, failure or contravention is guilty of an offence and on summary conviction is liable to a fine of not more than \$5,000 or to imprisonment for a term of not more than one year, or to both.

Corporations (2) Where a corporation is convicted of an offence under subsection 1, the maximum penalty that may be imposed upon the corporation is \$100,000 and not as provided therein.

Limitation (3) No proceeding under clause *a* of subsection 1 shall be commenced more than one year after the facts upon which the proceeding is based first came to the knowledge of the Director.

Idem (4) No proceeding under clause *b* or *c* of subsection 1 shall be commenced more than two years after the time when the subject-matter of the proceeding arose.

Certificate
as evidence

25. -(1) A statement as to,

(a) the issuance or non-issuance of a certificate of acceptance;

(b) the filing or non-filing of any document or material required or permitted to be filed with the Registrar;

(c) the time when the facts upon which proceedings are based first come to the knowledge of the Director; or

(d) any other matter pertaining to such certificate, filing or non-filing,

purporting to be certified by the Director is, without proof of the office or signature of the Director, receivable in evidence as *prima facie* proof of the facts stated therein for all purposes in any action, proceeding or prosecution.

Proof of
Minister's
signature

(2) Any document under this Act purporting to be signed by the Minister, or any certified copy thereof, is receivable in evidence in any action, prosecution or other proceeding as *prima facie* proof that the document is signed by the Minister without proof of the office or signature of the Minister.

26. The Lieutenant Governor in Council may make Regulations regulations,

- (a) exempting any class of person from this Act or the regulations or any provision thereof;
- (b) governing the filing of a prospectus or supplementary prospectus and prescribing terms and conditions in relation thereto;
- (c) requiring the payment of fees and prescribing the amounts thereof;
- (d) prescribing the form and content of agreements by which persons become investors in pyramid schemes or any terms thereof;
- (e) governing the property or funds held in escrow under section 12;
- (f) governing the form and content of prospectuses for pyramid schemes;
- (g) requiring promoters or investors to be bonded in such form and terms and with such collateral security as are prescribed and providing for the forfeiture of bonds and the disposition of the proceeds;
- (h) requiring and governing the books, accounts and records that shall be kept by promoters;
- (i) requiring promoters or investors to make returns and furnish information to the Registrar;
- (j) prescribing forms for the purposes of this Act and providing for their use; and
- (k) requiring any information required to be furnished or contained in any form or return to be verified by affidavit.

27.—(1) Nothing in this Act shall be construed to make unlawful the sale to consumers of commodities received by the seller under a pyramid scheme the operation of which becomes unlawful under or by virtue of this Act, where the commodities were received by the seller before the pyramid scheme became unlawful, but the Registrar may, upon notice to the seller, prohibit such sale where the commodity is defective in quality or the warranty is defective or incapable of performance.

Sale to
consumer
under
unlawful
scheme

Extension
of time
for filing
prospectus

(2) Upon application therefor, the Registrar may, in writing, extend the time for the filing of a prospectus and the issuance of a certificate of acceptance for the purpose of section 3 for a period or periods not exceeding a total of ninety days after this Act comes into force where in his opinion there is a reasonable likelihood that the prospectus, when filed, will comply with the requirements of this Act.

Commence-
ment

28. This Act comes into force on a day to be named by the Lieutenant Governor by his proclamation.

Short title

29. This Act may be cited as *The Pyramidical Sales Act, 1972*.